



**DRAFT GENERAL SESSION MINUTES OF THE BOARD OF DIRECTORS  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
November 13, 2012

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

**Board Members:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Bivens, Danny	Office of Public Utility Counsel	Consumer / Residential (Alternate Representative for Public Counsel Sheri Givens)
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility Segment Alternate
Clemenhausen, Barbara	Topaz Power Holdings LLC	Independent Generator Segment Alternate
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services Inc.	Consumer / Industrial ( <i>Except for Agenda Tabs 1 – 3.2</i> )
Doggett, H. B. “Trip”	ERCOT	President and Chief Executive Officer
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Consumer / Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider
Karnei, Clifton	Brazos Electric Power Cooperative Inc.	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman ( <i>Except for Agenda Tab 1 – 3.2</i> )
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Ryall, Jean	CCNG Power, LLC	Independent Power Marketer ( <i>Except for Agenda Tabs 7, 2.2.4, 2.2.9 and 8</i> )



Walsh, Judy (Vice-Chair)	Unaffiliated	Unaffiliated Director
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Other Guests:

Adams, John	ERCOT Principal, Resource Integration
Brown, Jeff	Shell Energy North America (US) LP (Independent Power Marketer Segment Alternate)
Day, Betty	ERCOT Vice-President of Business Integration
Dreyer, Jerry	ERCOT Vice-President and Chief Information Officer
Dumas, John	ERCOT Director of Wholesale Market Operations
Jones, Dan	Director of Potomac Economics, ERCOT Independent Market Monitor
Lasher, Warren	ERCOT Director of System Planning
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice-President, General Counsel and Corporate Secretary
Nuthalapati, Sarma	ERCOT Senior Operations Engineer
Obadina, Diran	ERCOT Principal, Systems Development
Ogelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Petterson, Michael	ERCOT Vice-President of Finance and Treasury
Ragsdale, Kenneth	ERCOT Principal, Market Design and Analysis
Rickerson, Woody	ERCOT Director of Grid Coordination
Ruane, Mark	ERCOT Vice-President of Credit and Enterprise Risk Management
Saathoff, Kent	ERCOT Vice-President of Grid Operations and System Planning
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Surendran, Resmi	ERCOT Manager, Market Analysis
Wittmeyer, Bob	TAC Residential Consumer Representative, TAC Vice Chair

**Call General Session to Order, Announce Proxies and Segment Alternates (Agenda Tab 1)**

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:00 a.m. Chairman Crowell provided a reminder regarding the Antitrust and Security Admonitions. He announced that Danny Bivens was attending as Alternate Representative in Public Counsel Sheri Given’s absence, Mark Carpenter was attending as the Investor-Owned Utility Segment Alternate in Scott Prochazka’s absence, and Barbara Clemenhagen was attending as the Independent Generator Segment Alternate in Kevin Gresham’s absence. Chairman Crowell welcomed everyone to the meeting and made an opening statement with regard to accountability, one of ERCOT’s core values.

Chairman Crowell addressed the following Agenda Items in the order below.

**Consent Agenda (Agenda Tabs 2, 2.1, 2.2, 2.2.1-2.2.3, 2.2.5-2.2.8 and 2.2.10)**

Chairman Crowell announced that requests were received to remove Nodal Protocol Revision Request (NPRR) 466 and Planning Guide Revision Request (PGRR) 018 from the Consent Agenda at the request of Nick Fehrenbach and Trip Doggett, respectively. Chairman Crowell entertained a motion to approve the Consent Agenda as modified by the requested changes as follows:



- Protocol Annual Review Requirement of Credit Variables (X and Y) in Section 16.11.4.5, Determination of the County-Party Future Credit Exposure and (A and M) in Section 7.5.5.3, Auction Process;
- Unopposed NPRRs and Nodal Operating Guide Revision Request (NOGRR) Recommended by Technical Advisory Committee (TAC) for Approval:
  - NPRR425, Creation of a WGR Group for GREDP and Base Point Deviation Evaluation and Mixing Turbine Types Within a WGR;
  - NPRR460, WGR Ramp Rate Limitations;
  - NPRR465, Transmission Planning Analysis to Minimize the Need for RMR Units;
  - NPRR467, Balancing Account Resettlement due to DAM Resettlement;
  - NPRR471, Removal of Language Related to NPRR241;
  - NPRR485, Clarification for Fuel Adder Provisions;
  - Impact Assessment for Parking Deck NPRR153, Generation Resource Fixed Quantity Block; and
  - NOGRR093, Synchronization with NPRR365.

**Barbara Clemenhagen moved to approve the Consent Agenda as modified with the requested changes. Karl Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **General Session Meeting Minutes (Agenda Tab 3)**

Chairman Crowell entertained motions to approve the September 18, 2012 General Session Meeting Minutes (September 18, 2012 Meeting Minutes) and the September 17, 2012 Strategic Planning Event Minutes (September 17, 2012 Event Minutes).

### **September 18, 2012 Meeting (Agenda Tab 3.2)**

**Jorge Bermudez moved to approve the September 18, 2012 Meeting Minutes as presented. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with two abstentions (Barbara Clemenhagen and Eric Hendrick).**

### **September 17, 2012 Strategic Planning Event (Agenda Tab 3.1)**

**Mr. Pfirrmann moved to approve the September 17, 2012 Event Minutes as presented. Mr. Bermudez seconded the motion. The motion passed by unanimous voice vote with two abstentions (Barbara Clemenhagen and Eric Hendrick).**

### **Chief Executive Officer (CEO) Update (Agenda Tab 4)**

Trip Doggett presented the CEO Update. He, Kent Saathoff and Warren Lasher responded to questions and comments from Board members. He recognized John Adams, Sarma Nuthalapati, Diran Obadina, and Resmi Surendran for their expert contributions to the industry.

### **Financial Summary and Operations Report (Agenda Tab 5)**

Mr. Doggett presented the Financial Summary and Operations Report.



### **Independent Market Monitor (IMM) Report (Agenda Tab 6)**

Dan Jones presented the IMM Report and responded to questions and comments from Board members.

### **TAC Report (Agenda Tab 7)**

Kenan Ogelman presented the TAC Report and responded to questions and comments from Board members. Chairman Crowell requested consideration of NPRR466 and PGRR018, which had been removed from the Consent Agenda.

### **NPRR466, Asset Depreciation Schedule for Capital Contributions (Agenda Tab 2.2.4)**

Mr. Fehrenbach provided his reasons for requesting removal of NPRR466 from the Consent Agenda.

**Mr. Fehrenbach moved to remand NPRR466 to TAC for clarifying revisions to the language, primarily related to the use of the wording as to asset valuation. Michehl Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **PGRR018, Clarify the Prerequisites for Adding a New Generation Resource to the Planning Models and Capacity Demand and Reserves Report (Agenda Tab 2.2.9)**

Mr. Doggett provided his reasons for requesting removal of PGRR018 from the Consent Agenda.

**Vice Chair Walsh moved to remand PGRR018 to TAC to consider implementation issues related to any proposed changes and financial security issues. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **ERCOT Regional Planning Group (RPG) Charter Revisions (Agenda Tab 8)**

Warren Lasher presented the ERCOT RPG Charter Revisions.

**Mr. Gent moved to approve the ERCOT RPG Charter Revisions as presented. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Pilot Project - Fast Responding Regulation Service (FRRS) (Agenda Tab 9)**

Kenneth Ragsdale presented the FRRS Pilot Project and responded to questions and comments from Board members.

**Vice-Chair Walsh moved to approve the FRRS Pilot Project as presented. Andrew Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Competitive Renewable Energy Zone (CREZ) Update (Agenda Tab 10)**

Woody Rickerson presented the CREZ Update and responded to questions and comments from Board members.

### **Finance & Audit (F&A) Committee Report (Agenda Tab 11)**

Clifton Karnei, F&A Committee Chairman, reported that the F&A Committee met on the prior day and highlighted the items discussed at the F&A Committee meeting.



**Acceptance of 2012 Service Organization Control Audit Report (Agenda Tab 11.1)**

**Mr. Karnei moved to accept the 2012 Service Organization Control Audit Report as recommended by the F&A Committee. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Human Resources and Governance (HR&G) Committee Report (Agenda Tab 12)**

Andrew Dalton, HR&G Committee Chairman, reported that the HR&G Committee met on the prior day and highlighted the items discussed at the HR&G Committee meeting.

**Proposed 2013 Key Performance Indicators (Agenda Tab 12.1)**

**Mr. Dalton moved to approve the 2013 Key Performance Indicators as recommended by the HR&G Committee. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Business (Agenda Tab 13)**

Chairman Crowell and Bill Magness emphasized the importance of distinguishing between a voting or discussion agenda item due to fewer scheduled meetings in 2013.

**Executive Session**

Chairman Crowell adjourned the meeting into Executive Session at approximately 10:56 a.m. and reconvened the General Session of the meeting at approximately 1:10 p.m.

**Vote on Matters from Executive Session (Tab 14)**

Chairman Crowell called for a motion to approve matters discussed during Executive Session.

**Mr. Gent moved to approve the Personnel matter as discussed during Executive Session. Mr. Bermudez seconded the motion. The motion passed by unanimous voice vote with one abstention (Trip Doggett).**

**Mr. Karnei moved to select the ERCOT Independent Financial Auditor and ERCOT Service Organization Control Auditor, both as recommended by the F&A Committee, as discussed in Executive Session. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Mr. Hendrick moved to approve the Contract matter as discussed during Executive Session. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Adjournment (Agenda Tab 15)**

Chairman Crowell adjourned the meeting at approximately 1:12 p.m.



Board materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/committees/board>.

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Vickie G. Leady  
Assistant Corporate Secretary